

We are excited to present the end of year edition of our newsletter, highlighting the impactful journey of Manufacturing Africa (MA) in Ethiopia. Funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO), MA is in its fifth year of transforming Ethiopia's manufacturing sector. In this publication, we proudly showcase our significant milestones, featuring compelling case studies of companies we have supported and summarizing insightful policy reports we have developed. Join us as we delve into the strides made and explore how our initiatives are fostering growth and innovation in Ethiopia's manufacturing landscape.

Highlights of the programme's progress:



\$355m

Foreign Direct Investment (FDI) mobilized into Ethiopia's manufacturing sector



26

Manufacturing companies supported in Ethiopia



6

Deals have secured investment funding



9,841

Jobs committed to be created



5

Circular economy deals supported in Ethiopia



7

Women owned/led manufacturing businesses supported in Ethiopia

News Update

Ethiopia agrees a historic reform package with the International Monetary Fund, the World Bank, and creditors.

The reform package, supported by over \$10bn in financing from the IMF and the WB, will support the Government of Ethiopia's Homegrown Economic Reform package, a broad set of reforms aimed at stabilising and liberalising the economy. On July 29th, the Government of Ethiopia announced that Ethiopia would move to a market determined exchange rate. Ethiopia's exchange rate has historically been overvalued, and access to foreign exchange tightly controlled by the government. This move is expected to significantly benefit business by enabling free market access to foreign currency. To date the difficulty in accessing foreign currency has been a major barrier to growth, particularly in the manufacturing sector. The Manufacturing Africa programme recently released a study, 'Navigating Ethiopia's Forex Policy: Strategic Insights for Investors' which discusses how this reform could improve the business environment (see below).

MA Hosts Investor Roundtable in Partnership with EAVCA



On 14th November, Manufacturing Africa partnered with the East Africa Private Equity & Venture Capital Association (EAVCA) to host a workshop that brought together investors from private sector, investment firms and government agencies to discuss Ethiopia's recent economic reforms and their impact on investment. Also present were representatives from the Africa Resilience Investment Accelerator (ARIA), a group of development finance institutions aiming to increase investment into fragile countries.

A highlight of the event was a presentation by Mark Dray, an FCDO macroeconomist who provided an insightful overview of the recent IMF reform package and growth opportunities for businesses. This was followed by a workshop style discussion with participants on how to address investor challenges and the importance of support services like legal and risk advisory. Investors were clear about Ethiopia's potential but remain cautious in the short run. Manufacturing Africa will continue to collaborate with partners like EAVCA and ARIA to enhance investor awareness of the opportunities and help mitigate risks, in facilitating more investment into Ethiopia.

Ethiopian Manufacturer of Building Materials Made from Plastic Waste Secures Funding



School construction using blocks made from recycled plastic

Kubik is an Ethiopian company that converts plastic waste into building material for affordable housing. The company uses hard to recycle plastics to manufacture building materials with a lower carbon footprint than cement-based materials. Kubik operates from its Adama Industrial Park factory that has the capacity to process up to 5 tons of plastic waste per day with plans to expand capacity to 45 tons a day.

Manufacturing Africa (MA) provided Kubik with investor readiness support to accelerate the company's capacity to secure funding. In addition, MA helped the company develop a supply chain strategy that analysed different types and source of waste to ensure sustainability of their operations. The analysis positioned Kosha (the largest landfill site in Addis Ababa) as a major component in Kubik's plastic waste sourcing strategy. MA also provided a manufacturing systems expert to help assess Kuik's processes to achieve world class manufacturing. Kubik has since successfully raised \$5.2 million of seed money from several impact, foundations and early-stage investors with further expansion and funding anticipated.

Navigating Ethiopia's Forex Policy: Strategic Insights for Investors



Manufacturing Africa continues to play a role in attracting foreign direct investment (FDI) into Africa's manufacturing sector. One of the key hurdles that deterred investment in Ethiopia in recent years was its forex policy.

Prior to the announcement of the exchange rate reform and in anticipation of major policy shifts, Manufacturing Africa developed a resource for investors to navigate the foreign currency terrain and understand potential future change dynamics. The report considered how the business environment will change for firms and investors under various scenarios of the exchange rate regime. It also explored options for mitigating risk under each scenario. Having particularly focused on a partial or full floatation scenario, the report is still helpful for anyone seeking to understand how the rapidly changing policy environment impacts businesses.

For a comprehensive analysis, read the full [Ethiopia Forex Landscape](#) report on the Manufacturing Africa website.

Promoting Ethiopia's Local Pharmaceutical Manufacturing



Generic capsules. Image for illustration purposes only

Growing local pharmaceutical manufacturing is one of the priorities of the government of Ethiopia; having recognized its potential to boost the economy and improve healthcare outcomes. To support this initiative, MA worked with the Ministry of Health to assess the potential for scaling local production.

The report highlighted potential drivers of Ethiopian competitiveness in the pharmaceutical sector and necessary interventions to stimulate growth. A key conclusion was the importance of producing at scale to reach competitiveness, which requires Ethiopians to reach export markets. Among the recommendations, MA suggests providing incentives for manufacturers that achieve World Health Organization prequalification (WHO-PQ) status, which would enhance their global credibility and market reach. Another strategic recommendation is the development of medium-term advance contracts with manufacturers, committing 100% to future demand. This would provide stability and predictability, encouraging local production investments.

Finally, MA recommends setting up a dedicated team to lead sectoral activities in collaboration with relevant institutions, ensuring the successful implementation of these recommendations. For a comprehensive understanding of these strategic measures and more, visit the MA website to access the full [Ethiopia potential in local pharmaceutical manufacturing](#) report.

At the request of the Ministry of Health (MoH), MA has recently commenced a second phase of the support aimed at identifying and removing bottlenecks for local manufacturing of pharmaceutical drugs and medical supplies.

We are grateful for the support and partnership of manufacturers, investors, development organizations and government agencies who have trusted us and continue to collaborate with us.

We wish you all happy end of year festivities and a prosperous 2025!

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For more information visit www.manufacturingafrica.org or contact [Amdework Berhanu](#), MA Ethiopia Country Manager.

This programme is funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK Government's official policies